



BUSINESS PLAN FOR GRINDING AND PACKAGING OF PEPPER PRODUCTS FOR RETAILING MARKET

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CANDIDATE'S DECLARATION



I declare that the work in this business plan was carried out in accordance with the regulations of Universiti Teknologi MARA (UiTM). It is original and is the result of my own work, unless otherwise indicated or acknowledge as referred work. This topic has not been submitted to any other academic institution or not academic for any degree of qualification. In the event that my business plan is found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my Master's Degree and agree to be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA (UiTM).

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ABSTRACT

Pepper (*Piper nigrum*) is a flowering vine in the family *Piperaceae*, cultivated for its fruit, which is usually dried and used as a spice and seasoning, known as a peppercorn. When fresh and fully mature, it is about 5 mm (0.20 in) in diameter and dark red, and contains a single seed, like all drupes. Peppercorns and the ground pepper derived from them may be described simply as pepper, or more precisely as black pepper (dried nearly ripe fruit), green pepper (dried unripe fruit), and white pepper (ripe fruit seeds that process through soaking in clean running water to remove its skin). Pepper play an important role in enhancing the flavour and taste of the processed foods. On account of their ability to impart flavour and aroma, pepper have been used in the preparation of a wide variety of processed foods. Pepper are required in preparing appetizing and digested beverages and confectionary, soup powders, sauces, instant curries, canned meat and poultry products etc. Pepper are also used in the medicines because of their carminative stimulating and digestive properties. Ground pepper are extensively used in all types of curried dishes in Malaysia and abroad. Although Malaysian pepper are traded mainly in an unprocessed form, a small yet significant quantity enters international trade as ground pepper. Apart from the overseas market, ground pepper is becoming popular in the domestic market also. Hence the demand for unadulterated pepper products in attractive packaging is fast emerging. Demand for packed pepper products is directly linked with its consumption in food processing industry and this is set to grow in Malaysia in coming years with growth of population and fast changing food habits as well as increase in purchasing power of the households in this regions. Considering the potential market opportunity, the present detail business plan has been developed. At the same time, it is aim to productively utilize the abundantly available resources of the local area in particularly in Sarawak and to enable uninterrupted supply of the retail pepper products to market throughout the year to cater domestic demand and beyond.

Keywords: Pepper products, ground pepper, packaging, marketing, retail marketing.

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INTRODUCTION

1.1 INTRODUCTION

Pepper has been cultivated in Sarawak from as far back as 1856, though commercial production only began about 20 years later. In 1884 a duty was first levied on pepper exports from Sarawak. The export levy, which lapsed during Japanese Occupation, was reinstated in 1960, as a means of stabilizing returns by providing assistance to farmers during times of low prices and to discourage excessive new planting when prices were high. (Barth, 1992)

Generally, pepper production in Malaysia has been influenced by various factors; in short term, rainfall, diseases, application of production inputs are significant but the underlying factor contributing to long term production trends appears to be the price of pepper. Immediate responses to higher prices can be seen as farmers increase fertilizer application and take care of farms (Kamarulzaman, Husin, Mohayidin, & Enchi, 2013). However, given three years needed for pepper vine to come into production, period of high price are generally followed by higher production while prolonged low price periods leads to lower production.

For example, it is accepted that the high production of 1990 and 1991 (31,200 tons and 29,100 tons respectively) is a response to the high price of 1986 and 1987. The relatively low price in 1995 (13,300 tons) and 1996 (12,300 tons) appears to be a consequence of low price of 1991 and 1992.

During the early 1970's, the government of Malaysia, recognizing the problems inherent in the pepper industry such as the poor quality, the difficulties farmers faced in marketing, the lack of adequate facilities for efficient processing and grading pepper for exports. At the same time, farmers benefitted as the Pepper Marketing Board's trading operation were targeted at purchasing from farmers at competitive prices. Since Board's